

REPORT OF THE CENTRAL STATISTICAL BOARD

MESSAGE

FROM THE

PRESIDENT OF THE UNITED STATES

TRANSMITTING

A REPORT OF THE CENTRAL STATISTICAL BOARD ON
THE RETURNS MADE BY THE PUBLIC TO
THE FEDERAL GOVERNMENT



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LETTER OF TRANSMITTAL

To the Congress of the United States:

I transmit herewith, for the information of the Congress, a report of the Central Statistical Board on the Returns Made by the Public to the Federal Government. I recommend that this report be printed as a public document.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
January 10, 1939.

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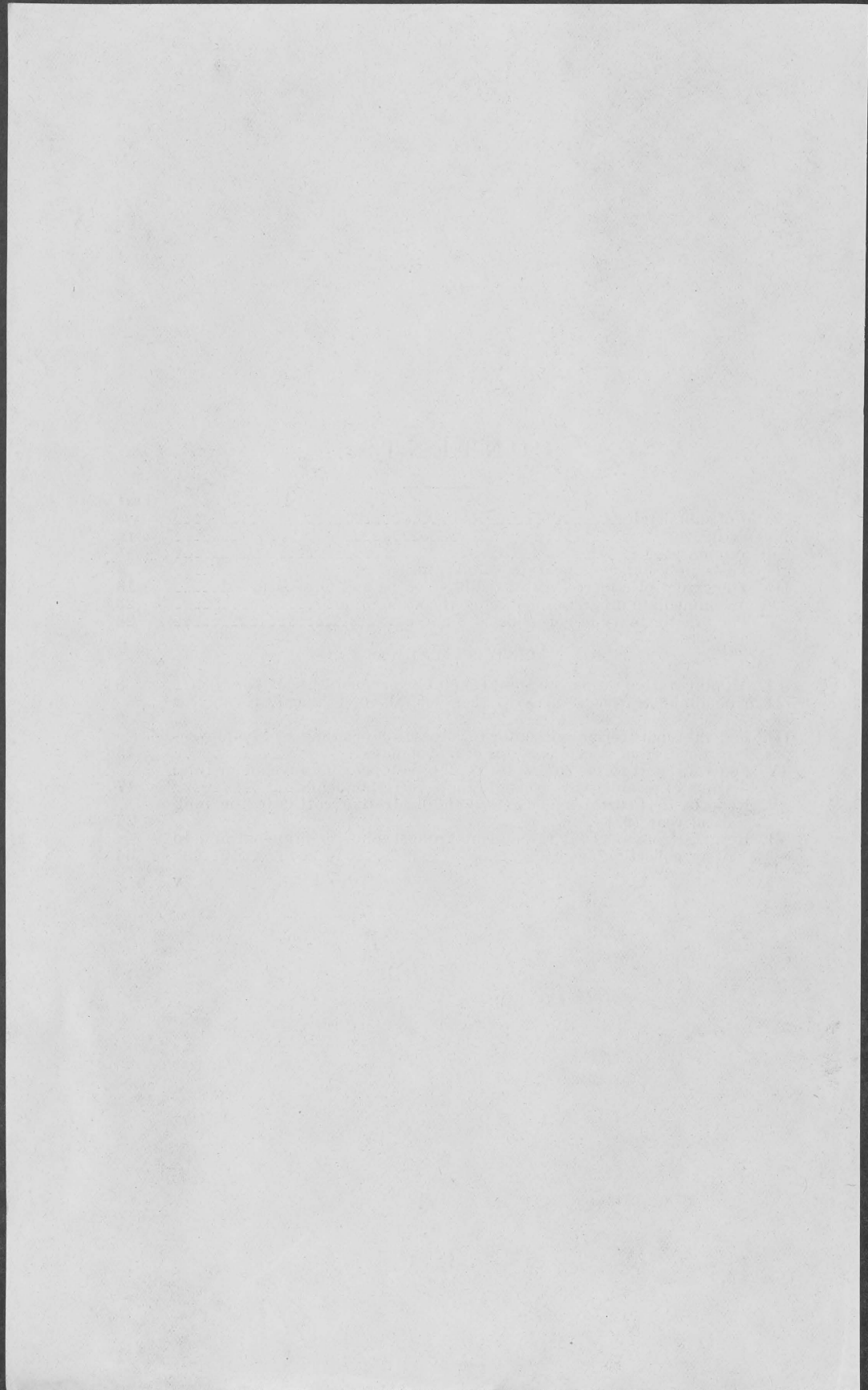
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LETTER OF SUBMITTAL

CENTRAL STATISTICAL BOARD,
Washington, D. C., December 31, 1938.

The PRESIDENT,
The White House, Washington, D. C.

MY DEAR MR. PRESIDENT: In response to the request in your letter of May 16, 1938, I have the honor to submit herewith a report of the Central Statistical Board on Returns Made by the Public to the Federal Government.

Very respectfully,

STUART A. RICE, *Chairman.*

FOREWORD

This report has been prepared in response to a request by the President in a letter of May 16, 1938, to the chairman of the Central Statistical Board which reads as follows:

I am concerned over the large number of statistical reports which Federal agencies are requiring from business and industry. In view of comments that come into this office, I desire to know the extent of such reports and how far there is duplication among them. Accordingly, I am requesting the Central Statistical Board, under the authority of section 1 of the act creating the Board, to report to me on the statistical work of the Federal agencies, with recommendations looking toward consolidations and changes which are consistent with efficiency and economy, both to the Government and to private industry.

Specifically, I am interested in the approximate number of financial and other statistical reports and returns regularly required from business and industry and from private individuals by agencies of the Federal Government under existing law, and the authority under which each is collected; specific indications of the extent and kinds of duplication existing among them, and the diversity of accounts and records which they necessitate. I assume that exhibits of the questionnaires and report forms are already available in large part in the Board's files, and I am sure that all of the Federal agencies will cooperate in providing any additional information that is relevant.

With a view to reducing the amount of duplication in statistical reports, will you indicate the principal points at which the enactment of legislation by the Congress appears to be necessary in order to effect consolidations or changes, with the recommendations of the Board regarding them.

I should like to have the complete report of the Board by January 1, 1939.

The Board's investigation has been closely restricted to the subjects specifically itemized in the foregoing letter. Its report, in consequence, does not present a rounded discussion of the Federal statistical services in all of their aspects. Attention has been centered upon questions related to the collection of reports from the public; correspondingly, questions pertaining to the analysis and use of the information so collected have in general been neglected. The same is true of numerous questions pertaining to the organization of the Federal statistical services.

On the other hand, the subject of investigation has been somewhat broader than the collection of statistical reports, as that expression is generally understood. The public is likely to assume that Government statistics are ends in themselves, collected only for the purpose of compiling figures. Actually, Federal statistics are most often a byproduct of the Government's services to the people, and they are generally used in connection with the administration of those services. Many of the reports and returns discussed in this report are related to the administration of such varied governmental functions as unemployment compensation and old-age benefits, the regulation of enterprises vested with a public interest, and the collection of taxes. There are, however, many reports and returns which are collected primarily for statistical purposes.

The drafting of its report was assigned by the Board to a special committee, the membership of which has been listed on page ii. This

committee was authorized to assemble and study all report and return forms used by Federal agencies to collect information from the public during the year ended June 30, 1938. The committee's survey resulted in a systematic appraisal of the extent and causes of duplications among these forms and of the unnecessary burdens which they create. The more significant of the findings from the survey are presented in the report here submitted. A more detailed analysis and tabular presentations of the data are now in preparation as a supplement to this report.

At the disposal of the committee were the experience and office files of the Central Statistical Board pertaining to its efforts of the past 5 years to bring about a better coordination of reports to the Federal Government. Moreover, the committee had the benefit of study of a series of memoranda sent to the Secretary to the President in response to letters of October 19, 1938. These letters requested, on behalf of the President, the views of the agencies most extensively concerned with certain broad questions underlying the committee's survey. In addition to the information and materials supplied by Federal agencies, two States furnished files of the return forms currently used by their various departments and agencies. In order to supplement all of these materials, information was obtained directly from a number of representative business enterprises. Some of these supplied detailed lists of reports and returns filed with State and local governments and private organizations as well as with Federal agencies.

The Board wishes to acknowledge its indebtedness to these business concerns, and to various business and accounting organizations which have assisted in various ways in its inquiry. It also wishes to acknowledge the generous cooperation of the large number of officials of Federal agencies and members and clerks of committees of the Congress who have furnished advice and detailed information. Much credit is due for the assistance of the Department of Finance and Control of the State of Connecticut and of a subcommittee of the Executive Council of the State of Wisconsin, and that of a number of economists, statisticians, and legal experts outside of the Federal services with whom the Board's committee has consulted on special problems. Finally, the Board is indebted to the members of its special committee and the members of its staff, upon whom fell the greater part of the detailed work of preparing its report.

REPORT OF THE CENTRAL STATISTICAL BOARD ON RETURNS MADE BY THE PUBLIC TO THE FEDERAL GOVERNMENT

I. SUMMARY

Statistics are byproducts as well as tools of administration. A majority of the "financial and other statistical reports and returns" made by the public to the Federal Government are incidental to the administration of governmental functions. Many administrative reports are applications or requests to the Government to perform some service for the individuals or concerns making the reports. Thus, an employee's application for a social security account number is used to determine whether the applicant is entitled to certain benefits under the Social Security Act. Other administrative reports are a means of determining the amount of taxes payable by the respondents. Still others provide a basis for some regulation of the affairs of the respondents in the public interest.

Another group of returns, smaller in number except in decennial census years than those just described, includes all returns which are designed to provide data needed by the Government, industry, and the public for general or policy-making purposes. Illustrations are provided by the collection of information on agricultural crops, pay rolls, public health, births, and deaths. To distinguish these from administrative reports, they may be referred to as "nonadministrative."

A comprehensive survey of the forms used by Federal agencies for obtaining both types of reports, and of the number of returns made by the public upon them, has been made by the Central Statistical Board for the year ended June 30, 1938. All Federal returns and report forms of both administrative and nonadministrative types were included, although a considerable number of administrative returns from which tabulations of data might be made are not at present used to any large extent for statistical purposes. It was felt desirable that the survey should err, if at all, on the side of inclusiveness. Each form filled out and filed by a respondent to cover a separate period or transaction was counted as a separate return.

ADMINISTRATIVE RETURNS

The distinction between returns which are administrative and those which are nonadministrative is not always sharp. In its survey of Federal forms and returns, the Board classed as "administrative" those returns which were used by the collecting agencies to administer some law or regulation affecting the individual respondent or his employees.

For the year ended June 30, 1938, the number of administrative returns was about 97½ million, of which about one-third were appli-

cations of various kinds. The United States is a highly industrialized country. It has a population of more than 130,000,000 people, with great numbers of business enterprises and of farms. In consequence, many forms were filled out by large numbers of respondents. On the average, about 53,000 returns were made on each administrative form. There were some 10,000,000 income-tax and informational returns. Seventeen million tax and informational returns were required in connection with the old-age insurance program. The number of returns intended to enable the Government to regulate enterprises vested with a public interest was also large, although much smaller than the number connected with taxation or with the provision of governmental services to respondents.

The length and scope of administrative returns vary widely. They range from post-card answers to a few simple questions to complex regulatory reports containing more than a hundred pages. Nearly all of the information obtained from the public on these various administrative forms is essential to the proper performance of the functions of government as prescribed by law. It is not within the scope of this report to discuss these functions, but merely to consider whether the methods of obtaining the required information involve unnecessary burdens upon respondents.

NONADMINISTRATIVE RETURNS

The Government also collects a large volume of information which, although not directly concerned with administrative questions, is necessary for the formulation of public policy. Such information is usually obtained by the use of questionnaires sent through the mail, or through enumerators who go from house to house or from office to office. In its survey the Board classed as "nonadministrative" all returns which did not comply with the definition of "administrative."

The most familiar of the more general or "nonadministrative" inquiries is the decennial census of population, which was not part of the activity of the past fiscal year. The results of a decennial census and of other similar inquiries are essential to the determination of public policy within numerous fields of governmental action. They are also of great importance to businessmen and to the general public; in fact much of this type of information is obtained to meet an insistent public demand.

During the fiscal year ended June 30, 1938, the nonadministrative returns to Federal agencies numbered about 38,000,000. Of these, a single inquiry, the Census of Partial Employment, Unemployment, and Occupations accounted for about 12,000,000 returns. Other inquiries accounted for returns varying in number from 20 or 30 to several million.

EXTENT OF UNNECESSARY BURDENS

Although existing reports of both the administrative and non-administrative types, for the most part, serve necessary public purposes, there are cases in which an unnecessary burden is imposed upon respondents.

For example, it has been found that in a number of lines of business a concern's total pay roll in a given period may be reported in as many as 12 different Federal forms. Information on total revenue from

sales may be required in as many as half a dozen forms. There is extensive overlapping between information reported annually by business enterprises for income-tax purposes and information reported in various business surveys. In several instances yearly production statistics collected by one Federal agency have already been reported currently by months or by other short periods to the same or to some other Federal agency. In a few cases substantially the same information is reported monthly to two Federal agencies. Much of this duplication may be unavoidable and may impose no serious hardship on respondents. It is nevertheless certain that in some cases an unnecessary number of separate reports are required from the same respondent.

Various examples of duplication result from annual financial statements, which may be required for a number of governmental purposes, mainly connected with regulation or taxation. The Federal income tax laws call for such statements. Registrant and listed corporations must file them with the Securities and Exchange Commission. Regulatory commissions such as the Interstate Commerce Commission and the Federal Power Commission require financial statements from corporations under their jurisdiction. A highly integrated corporation doing business in more than one field may come under two or more jurisdictions. When State and nongovernmental requirements for financial statements are added to Federal requirements, the situation becomes highly complicated. It should be possible in some measure to reduce the amount of duplication of information in such financial returns.

Some of the more conspicuous of the specific duplications in reporting requirements arise from the fact that both State and Federal Governments collect income taxes and that both have to do with social security administration. For example, a very large proportion of all employers are called upon four separate times to report the individual earnings of a substantial number of their employees during a given time period. They must report twice to the Federal Government and twice to the government of the State in which the employee works.

It also appears that existing business accounting practices are not always taken sufficiently into consideration, either in the language of the statutes or by Government agencies, in determining what information will be required. Furthermore, in some instances, the statutory requirements or the administrative processes of Government may compel business concerns to maintain unnecessarily detailed or duplicating records.

In situations of all of these types, the burden of proof, in general, rests upon the governmental agencies concerned to establish the necessity of duplication. This principle requires the formulation of instruments and procedures which will relieve the public from unnecessary reporting requirements. Such a formulation is attempted in this report.

CONCLUSIONS

On the basis of its study of returns made by the public to the Federal Government last year, the Board concludes:

1. That the greater number of such returns are necessary to the Government, either for purposes of administration or regulation.

2. That most of the statistics not collected for the purposes stated in (1) are needed for policy-making purposes or are the result of proper demands from the public for information which cannot be privately gathered.

3. That there is, in general, a clear warrant for the direct collection of information needed for the proper performance of their functions by the several agencies charged with administration or regulation; but that in some cases such information can be adequately secured through other Government agencies.

4. That governmental requirements for reports and returns impose a burden on respondents which is, in part, unnecessary and which can to some extent be lightened.

It follows from these conclusions (a) that the Federal statistical and reporting services should remain largely decentralized so that they may be associated with the respective governmental functions to which most of them specifically relate; and (b) that there is continuing need for a statistical coordinating agency with a specially trained staff and with broad powers.¹

Consistent with these conclusions and in compliance with the request of the President in his letter, the Board makes the following recommendations, each of which is discussed, as indicated, in later pages of this report. If accepted, these recommendations will provide practicable measures for the methodical reduction of reporting burdens upon respondents to Federal inquiries. The separate recommendations are interrelated and together are intended to present a unified program "looking toward consolidations and changes which are consistent with efficiency and economy, both to the Government and to private industry."

1. That it be recognized as sound in principle and necessary in practice that the various statistical and report-collecting services of the Federal Government be for the most part attached to agencies having administrative or other responsibilities relating to the subjects of the reports; and that, because of this decentralization of the statistical and reporting services, it is essential that there be a statistical coordinating agency with adequate powers. (See p. 30.)

2. That provision in law be made to relieve any Federal agency or officer of any requirement under existing law directing the collection of reports from the public, if substantially equivalent information which will meet the needs of such agency or officer is available from other reports to any Federal agency. (See p. 25.)

3. That provision in law be made to promote and encourage Federal agencies collecting information on a confidential basis to make such information available for the use of other Federal agencies under rules designed to afford proper protection for the interests of individual respondents, these rules to be promulgated by the President upon recommendations of the statistical coordinating agency. (See p. 28.)

¹ During the past 5 years the Central Statistical Board has made substantial progress in its coordination of the Federal statistical and reporting services. However, a statistical coordinating agency with increased powers is necessary if the remedies proposed in this report are to be successful. A consideration of its form of organization or of its relationship to the present board involves questions outside the scope of this report. For this reason the impersonal designation "statistical coordinating agency" has been used throughout the present pages, and the Central Statistical Board has been mentioned only when referring to its completed or current work.

4. That in cases where the statistical coordinating agency is unable to reduce or eliminate unnecessary duplication in reports to Federal agencies, it be required to hold a hearing on the nature and reasons for such duplication and to report its findings to the President; and that the President be given power to eliminate such duplication. (See p. 28.)

5. That provision in law be made that, notwithstanding any previous provision of law to the contrary, no respondent shall be required to report information to a Federal agency when such information is obtainable from reports previously made to the same agency, unless the collecting agency shall have established before the statistical coordinating agency that the duplicate request is necessary. (See p. 28.)

6. That provision in law be made as follows: (a) That when the needs of two or more Federal agencies for reports pertaining to a given field of interest or from a given group of respondents can satisfactorily be met by the collection of such reports through a single agency serving as the agent of both or all such agencies; and when the statistical coordinating agency after due investigation shall have found such an arrangement to be in the public interest, it shall, subject to approval of the President, provide for the collection of the reports involved by a single agency which it shall designate; (b) that after such a designation such arrangements shall apply to any new collection service within the field of interest or involving the group of respondents in question, unless the need for other arrangements is established before the statistical coordinating agency; and (c) that such arrangements shall be extended to reports now being collected, as soon as found practicable and in the public interest; provided that such arrangements shall not be allowed to hamper any agency in obtaining information needed in the performance of its duties. (See p. 36.)

7. That further consideration be given to technical changes in the Federal tax laws and procedures which would provide, insofar as is consistent with fiscal policy, for: (a) The consolidation of tax returns in cases in which any considerable group of persons is required to file two or more types of such returns in any 1 year; (b) acceptance by the Bureau of Internal Revenue, in lieu of all or part of any tax return, of any sworn report made to a regulatory agency which provides the required information; and (c) such other modifications in tax returns as would lighten the burden of making reports either to the tax authorities or to other Federal agencies. (See p. 25.)

8. That the statistical coordinating agency be directed to arrange for the establishment and maintenance of classified address lists of respondents so that for each important group of respondents there may be a standard list available to all Federal statistical and report-collecting agencies. (See p. 37.)

9. That Federal agencies be required by law to keep uniform records of all questionnaires and report forms adopted and used to collect information from the public and to make reports on their adoption and use to the statistical coordinating agency; and that responsibility in each agency for authorizing the use of such forms and for the maintenance of such records be centralized. (See p. 24.)

The Board recognizes that these recommendations provide only a partial remedy for such unnecessary duplication of returns as now exists. They do not meet the important problem of Federal-State reporting requirements. The Board urges that consideration be given, with the cooperation of the State governments, to the problem of working out ways of avoiding unnecessary duplication between reports made to the Federal Government and those made to the various States.

Within the Federal Government some of the needed changes in existing reporting requirements can probably be made only after overlapping in the administrative responsibilities of the report-collecting agencies has been eliminated. Remedy of other duplications will in a few instances involve the amendment of existing laws, and some may have to wait upon a broad revision of the Federal tax structure. Such problems go beyond the scope of the President's request to this Board for a report on the "financial and other statistical reports and returns" made by the public to the Federal Government.

II. THE NUMBER OF FEDERAL REPORTS AND RETURNS ²

The Central Statistical Board has made a comprehensive survey of the financial and other statistical reports and returns made to 88 Federal agencies by private individuals, farms, business concerns, and other respondents during the fiscal year ended June 30, 1938. As pointed out in the summary, there is an important distinction between those returns which are essentially administrative in purpose and those which seek information primarily for policy-making and other general purposes. Statistics are both a tool and a byproduct of Government. In a more special sense administrative returns to the Government are both a tool and a byproduct of particular administrative functions.

ADMINISTRATIVE RETURNS

The work of Federal agencies, like that of private business enterprises, requires many kinds of information from the persons with whom these agencies deal. A banker who makes a loan to a business man must have a financial statement showing the condition of his business. A life insurance company requires a detailed application and record of medical examination from each prospective policyholder. The principal offices of large corporations require their branches to supply frequent reports of sales, stocks, pay rolls, and other information. Written applications, records of transactions, and various other reports of facts and figures are essential to orderly, efficient management of private business; they are equally important for the effective and economical performance of the Government's manifold administrative functions. A high proportion of the reports required by the Government is furnished by the public.

² A note upon the methods employed in obtaining from Federal agencies information concerning the reports and returns made to them, and upon the methods employed in analyzing these data, is included as an appendix to this section, pp. 12-13.

Most of the administrative returns made by the public to the Federal Government fall under three general headings: (1) Those connected with some service or benefit to the respondent (many of these being in the nature of applications); (2) those essential for the regulation of individual respondents in the public interest; and (3) those incidental to the collection of taxes from respondents. For the most part, none of the information obtained from the public through these classes of returns can be foregone without serious impairment of the operations of Government required by existing laws. Statistical compilations may be derived as a byproduct from the returns of all three of the groups.

The forms on which Federal administrative returns are made vary from the relatively simple postcard on which a worker applies for a social security account number to such a detailed document as that provided for the annual reports of electric utility companies to the Federal Power Commission, involving, on the average, answers to about 5,000 questions. Some of the returns are filled out by great numbers of persons or concerns and others by relatively few. Some of the reports are made monthly, others quarterly or annually, still others at biennial or irregular intervals. Apart from these forms which are used repeatedly, there are forms used for some special purpose and not likely to be used again.

There were 97½ million returns filed on Federal administrative forms of all kinds during the fiscal year 1938. Table I groups these returns, partly on the basis of the agencies receiving them, so as to indicate the principal governmental functions in connection with which they were collected.

Returns filed with the Bureau of Internal Revenue in connection with the Social Security Act and in connection with the regulation of such businesses as tobacco manufacturing and the production and distribution of alcoholic beverages, are not shown with the Bureau of Internal Revenue returns. They are included in other items in the table. Among the 11½ million returns filed with the United States Employment Service were 4½ million applications from job seekers and about 5 million "cards of introduction" carried by applicants to prospective employers who filled in certain data and returned them to the Employment Service.

The average number of answers included in an administrative return was about 60. As already indicated, this average conceals a very wide range. Thus, the simple forms used for returns to the Employment Service averaged about three answers per return. The employer and employee social security applications were also made on very simple forms. On the other hand, the corporate income tax form and some of the social security tax forms called for a large number of answers.

TABLE I.—*Administrative*¹ *returns to the Federal Government, fiscal year 1938*

	Number of returns (000,000)	Percent of total
	(1)	(2)
All administrative returns.....	97.5	100
Returns to Bureau of Internal Revenue and to Customs Bureau (excluding regula- tory returns and all social security returns).....	16.8	17
Income-tax and informational returns.....	10.3	10
Customs declarations.....	4.6	5
Other Bureau of Internal Revenue returns.....	1.9	2
United States Employment Service.....	11.5	12
Social security program ²	30.7	32
Employer applications for identification numbers.....	.8	1
Employee applications for account numbers.....	10.0	10
Tax and informational returns.....	18.0	19
All other returns.....	1.9	2
Reports by regulated enterprises to regulating agencies, including the regulatory services of Bureau of Internal Revenue.....	10.6	11
Farm returns not included above.....	17.6	18
Applications.....	6.7	7
Other.....	10.9	11
All other administrative returns.....	10.3	10

¹ Reports used by the collecting agencies to administer some law or regulation affecting the individual respondent or his employees.

² Includes forms used in the administration of the Social Security and Railroad Retirement Acts.

The 10,000,000 returns of regulated enterprises to regulatory agencies included a great variety of types. Although relatively not numerous, there were included here the important and often highly detailed reports by railroads to the Interstate Commerce Commission; by communication companies to the Federal Communications Commission; by electric power companies to the Federal Power Commission; by banks to the banking authorities; and by registrant, listed, and holding companies to the Securities and Exchange Commission. About a million and one-half returns were made by coal mines to the National Bituminous Coal Commission and somewhat less than 2,000,000 returns by water carriers to the Bureau of Marine Inspection and Navigation. Regulation of the production and sale of alcoholic beverages accounted for over 3,000,000 returns. Meat inspection and special information on the tobacco industry resulted in more than a million returns each. The administration of the Pure Food and Drug Act accounted for about one-half million returns.

The 10,000,000 returns in connection with miscellaneous administrative purposes included returns to such agencies as the Bureau of Immigration and Naturalization, the Commodity Credit Corporation, the Public Works Administration, the Federal Housing Administration and the Veterans' Administration.

About one-third of the administrative returns in table I were applications for some service, benefit, or privilege. They included requests for the assignment of social security numbers; registrations with the United States Employment Service; import declarations; and requests on the part of farmers, home builders, and others for loans, financial assistance, or other benefits. Other applications were connected with regulatory functions of the Government, such as requests for permits required before the applicant could engage in specific business operations, and for the registration of securities with the Securities and Exchange Commission.

NONADMINISTRATIVE RETURNS

Table II classifies the reports obtained by the Federal Government in the collection of information primarily for policy-making and other general uses. Some of the questionnaires upon which these returns were made were sent to very large groups of respondents and others to relatively small groups. The two forms used in the Census of Unemployment were in the aggregate filled out by 12,000,000 persons. Some of the nonadministrative forms call for monthly, quarterly, or other periodic reports, while others relate only to individual occurrences such as a birth or a death.

The 4,000,000 birth and death certificates received by the Bureau of the Census were transcripts of reports originally made to States or local units of government.³ Most of the other returns to that Bureau were reports which provide current information on business conditions. The censuses of manufactures and electrical industries were also included. In a decennial census year or in a year when a quinquennial census of agriculture was taken, the number of returns handled by the Bureau of the Census would be very much larger. A large proportion of the returns to the Bureau of Agricultural Economics was in connection with the Market News Service. The reports to the Bureau of Labor Statistics had to do not only with current pay rolls and employment and with labor conditions, wages, and hours of labor, but also with wholesale and retail prices and costs of living.

The continuous and urgent demand on the part of articulate business groups for more, and more highly detailed, information has played an important part in shaping the current business reports included among these nonadministrative returns, and in developing them to their present volume.

The nearly 8,000,000 returns to the United States Employment Service included in table II were classified as "nonadministrative" because they did not comply with the definition of "administrative" returns set forth on page 8. That is, they were not used to apply some law or regulation to the individual respondent. At the same time these returns were not primarily designed to supply information needed for policy making. Most of them represent contacts established with employers by the United States Employment Service, in connection with openings for job seekers.

TABLE II.—Nonadministrative returns to the Federal Government, fiscal year 1938

	Number of returns (000,000)	Percent of total
	(1)	(2)
All nonadministrative returns.....	38.2	100
Census of Unemployment.....	12.0	31
Bureau of the Census:		
Birth, death, stillbirth transcripts.....	4.1	11
Other returns.....	.9	2
Bureau of Labor Statistics.....	1.8	5
Bureau of Agricultural Economics.....	4.1	11
Shippers' export declarations.....	3.8	10
United States Employment Service.....	7.8	20
All other nonadministrative returns.....	3.7	10

³ These transcripts are reedited after reaching Washington, and correspondence with the attending physician or other person preparing the original certificate is often involved. Hence they become, in a sense, original documents and it seems appropriate to regard them as Federal returns.

RETURNS BY VARIOUS TYPES OF RESPONDENTS

The most significant classification of the returns to the Federal Government from the standpoint of revealing burdens upon respondents is one on the basis of the kinds of respondents making the returns. The information secured in the Board's survey makes possible only a rough apportionment of administrative and statistical returns among different groups of respondents.⁴ It is estimated that about 21,000,000 returns were filed for farms, making an average of approximately three returns per farm during the year.⁵ A total of 60,000,000 returns were received from industrial, commercial, and financial enterprises (not including farms but including all other types of business) or an average of about 20 per enterprise. On the average, each of these business returns contained answers to about 65 questions. These averages conceal wide differences among different classes of business.⁶ As might be expected, the returns, in general, were most extensive for regulated enterprises and for large-scale unregulated enterprises. The average number of returns filed per railroad was more than a thousand, and the average number of questions answered per return was about 150. For a group of large-scale enterprises, including manufacturers of automobiles, electrical apparatus, and steel, the average number of returns per respondent was about 250, while the average number of questions answered per return was 65. In contrast with these large concerns, the average independent retail store filed about 10 returns with the Federal Government and answered about 50 questions per return.

RETURNS TO STATE, MUNICIPAL, AND PRIVATE AGENCIES

While the Board supplemented its inventory of returns to the Federal Government by limited inquiries regarding those made by the public to State and municipal governments, it is not possible to present dependable estimates of the latter. Among the returns made to such governments the ratio of administrative to nonadministrative returns is even higher than among the returns to the Federal Government. Most reports to State and local governments have to do with taxation, regulation, or the rendering of public services.

Private agencies such as trade associations also receive large numbers of returns, which usually have primarily a statistical purpose. The limited information available indicates that the total number of returns made to State and local governments and to private agencies last year was at least as large as the number filed with the Federal Government.

⁴ It is necessary to resort to estimation partly because the Federal Government maintains no centrally coordinated system of respondent address lists. (See p. 37 below.)

⁵ For those farmers who are on actively used sample lists of reporters, the number of returns per year is undoubtedly much larger than the average for all farmers. The same is true of other industrial groups in which small units predominate and sampling is resorted to, such as independent retail stores.

⁶ The number and average length of returns made by any class of business do not indicate accurately the comparative "burdens" which such returns impose, even if differences in size of business are eliminated. For example, the reporting requirements imposed upon a railroad may actually be less burdensome today than those imposed upon an industrial concern of equivalent size, regardless of the number and volume of the two sets of returns. This possibility results from the fact that the railroad's own accounting needs and the reporting requirements of the Interstate Commerce Commission have been brought into relatively close agreement over a period of 50 years.

SEASONAL DISTRIBUTION OF REPORTING REQUIREMENTS

The extent to which the preparation of reports is burdensome to respondents depends in part upon the extent to which this work must be concentrated in a given period of time. If the flow of returns is irregular, it may be necessary for business concerns to increase clerical and accounting staffs at intervals.

In order to determine the seasonal variations in reports to the Federal Government, an analysis was made of the 60,000,000 returns from business respondents (not including farmers) filed during the fiscal year 1938. Two circumstances made it necessary to exclude a considerable proportion of the returns before attempting the seasonal distribution. There were some 17,000,000 tax and informational returns in connection with the old-age insurance program which were distributed somewhat unevenly through the fiscal year 1938, because the pay-roll tax was on a monthly basis during one part of the year and on a quarterly basis during another, and because the informational returns were shifted from a semiannual to a quarterly basis. It may be assumed that these returns will hereafter be distributed more evenly throughout the year. Consequently, these returns were excluded. In addition there were slightly more than 27,000,000 returns which could not readily be assigned to different quarters of the year. These include various application forms, as well as such forms as export declarations and loan agreement forms of the Commodity Credit Corporation.

The remaining 16,000,000 returns accounted for more than 40 percent of the answers entered on all these 60,000,000 returns from business respondents. When these 16,000,000 returns were assigned to quarters it appeared that nearly twice as many of them were made in the quarter January to March as were made in any other quarter. The number of answers on these 16,000,000 returns was even more unequally distributed, half being in the January-to-March quarter.

LEGAL BASIS FOR REPORTING REQUIREMENTS

Counting both the administrative and the nonadministrative reports and returns, the Board's inquiry revealed that some 49,000,000 of the total during the year were collected in accordance with statutory provisions specifically authorizing or directing the collection of reports of the types called for. Approximately 55,000,000 returns were collected by agencies in connection with their performance of functions which were specifically authorized by statutes, although the statutes did not specify the reports. In such cases the information sought was obviously necessary in carrying out the required functions. Nearly 27,000,000 returns were collected by Federal agencies on report forms for each of which the legal authority was too general or too indefinite to permit its clear definition.⁷ The remaining 5,000,000 returns were made under a variety of types of legal authorities including authorizations implied in appropriations made specifically to support the collection of the reports.

⁷ It should be observed that the importance of the information collected in these several groups of returns cannot be gaged by the comparative definiteness or vagueness of the legal authorizations behind them.

Somewhat less than half of the returns made to Federal agencies on all forms, administrative and nonadministrative (not counting application forms of various sorts the need for which is obvious) were mandatory by law, in the sense that a penalty is prescribed in case of failure of the respondent to file a required report. Some of these mandatory returns are very elaborate, and as a consequence over 60 percent of the total number of answers on report forms, other than applications, were in accordance with mandatory requirements.

THE COST OF MAKING RETURNS

Reliable information on the cost of making returns is exceedingly scanty. A small number of business enterprises submitted their cost data to the Board. For these business concerns the average cost per return of making returns to the Federal Government was a number of times the known cost per return to Federal agencies for collection, compilation, and publication.

The cost to a respondent directly traceable to the preparation of a regular report or return includes the expense of assembling and compiling the information from his records and of verifying it. In addition, the respondent may have incurred in the past (or for some reports may still be incurring) a considerable cost in adapting his records so as to provide the information requested in the way prescribed. A new report, especially if it does not conform closely to the usual method of keeping business records, may thus impose an additional initial burden.

As a factor in total business costs, the cost of reporting to the Government can no more be viewed as unproductive than can the cost of accounts kept by business for internal use. In many cases business as well as Government needs the compilations of information which existing administrative and statistical reports provide. The businessman needs statistical information if he is to plan his business operations intelligently. In fact, not infrequently he is prepared to pay for such services on a commercial basis, and a number of private statistical agencies have grown up to meet this demand.

APPENDIX TO SECTION II

In its study of the forms used by Federal agencies the following procedures and definitions were employed: Individual Federal agencies were canvassed⁸ for copies of and data regarding each form used in obtaining information capable of statistical treatment from private citizens, business enterprises, private institutions, and non-Federal agencies in the continental United States. Only forms returned during the year ended June 30, 1938, were requested.

Forms filled out by less than 10 respondents during the year were excluded as were internal reports of Federal branch or subsidiary offices to the Washington offices, and bids submitted on Government contracts and purchases. Forms used for contracts, leases, or permits, and similar legal forms also were excluded unless they called for items of information, other than the information for identification, which had to be supplied by the respondent.

Reports made regularly by word of mouth, telephone, telegraph, or letter were, so far as possible, included as equivalent to reports made on printed forms. Forms regularly used by non-Federal agencies in collecting information for transmittal to the Federal Government were counted as Federal forms.⁹ Forms used in locally sponsored Works Progress Administration research or statistical projects were not counted as Federal forms, but those used in Federal or Federally sponsored Works Progress Administration projects were included.

⁸ The government of the District of Columbia and Federally operated institutions, such as St. Elizabeths Hospital and Howard University, were not included in this canvass.

⁹ For example, forms used by State labor departments under cooperative agreements with the U. S. Bureau of Labor Statistics in obtaining current employment and pay-roll information.

The issuing Federal agencies provided information on the use of each form, including the number of returns received, the type or types of respondents making the returns and the average number of answers entered. From these data the total numbers of agencies, forms, canvasses, returns, and answers were tabulated and classified by governmental function performed, class of respondent, use of the return in administering some law or regulation, legal authorization, and subjects on which answers were made.

In tabulating these data, each bureau or equivalent unit in an executive department, and each independent office in its entirety was counted as a separate agency.

The following examples will serve to illustrate the Board's definition of what constituted a return:

If the same respondent filed a report each month, the reports were counted as 12 returns. If an importer filed several customs declarations at one time, each declaration was counted as a separate return. However, if a basic report form was supplemented by several supporting schedules filed with the basic report, the schedules were considered as a part of the original form and all counted as one return. If additional copies of a form were used by a respondent as the second, third, and succeeding sheets of a list too long to be recorded on a single copy of the form, the whole set of sheets was counted as a single return.

An inquiry sometimes requests the same information from one respondent about various individual items, as, for example, the name and earnings of each employee; the description of each bond, mortgage, or other security; or the name and amount of dividends paid by a corporation to each individual stockholder. In such cases reports are sometimes made upon forms containing lines for the entry of different names or items, and sometimes upon a separate slip for each name or item. It was thought best to employ a method of counting returns which would give the same results regardless of which method of making entries was used, especially since at least one agency changed from the slip method to the listing method during the year. Consequently, even if the collecting agency used the slip method, all the slips filed by a single respondent at one time were counted as one return. During the year under investigation both of these methods were used for reporting individual earnings for purposes of old-age insurance. During the first part of this year reports on a semiannual basis were made on Form SS-2a, which involved a separate slip for each employee. During the latter part of the year the report was changed to a quarterly basis on Form SS-1a which provided for the listing of employees on one sheet. Each employer was counted as making three social security individual earnings returns during the year.

In the selection of a time period for the survey the Board had little opportunity for choice. It would not have been possible to extend the period backward in time very far without encountering gaps in the records of some agencies. Moreover, changes in Federal reporting requirements during recent years have been so pronounced that only a very recent time period would have provided information relevant to the actual problems of the present day. The year covered is believed to be fairly representative with respect to the total number of administrative returns. A decennial census year, and possibly a mid-decennial census year, would have included a larger number of nonadministrative returns.

However, the concept of a "representative year" is untenable in the case of non-administrative returns because of the periodic, Nation-wide censuses which occur at greater than annual intervals. The fiscal year 1938 did not include a major census of population, agriculture, or business; nor would it have been any more representative if it had done so. It did include, however, a biennial census of manufactures and the special Census of Partial Employment, Unemployment, and Occupations.

In drawing conclusions the Board has sought to bear in mind the limitations on the representativeness of the year covered by its special survey, and has drawn frequently upon the large body of information which had previously been assembled in connection with its regular review work.

III. THE EXTENT OF UNNECESSARY REPORTING BURDENS AND DUPLICATIONS

The present volume of Federal reporting requirements is mainly a direct reflection of the governmental activities to which the reports are incidental, but it does not follow that all of these requirements are necessary. In an appreciable number of instances, duplication

in collection of information can be eliminated. There are also instances in which one agency requires a respondent to keep records and make reports on one basis while another agency, without adequate reason, requires him to keep records and make reports on a different basis. The result of these conflicting requirements is a burden which can be lightened.

WHAT IS A "DUPLICATION"?

From the point of view of the report-collecting agencies, there is relatively little duplication. The investigation of an alleged case of duplication usually discloses enough difference in the information called for by two or more collecting agencies so that they may with some justification regard the situation as not involving duplication. On the other hand, from the point of view of the respondent there is substantial duplication when he is called upon, for example, to furnish his balance sheet to two Government agencies, no matter how important the differences in the form of statement called for and in the purposes for which the information it contains is sought.

The difficulty of obtaining common agreement as to the existence of duplication may be illustrated more specifically: In some cases two agencies may request the respondent's pay roll or employment total for the same period. However, one may require a particular break-down of the information, as by establishments, while the other may not. This means that the report to the latter agency is not satisfactory to the former. Not infrequently the period of time covered by reports to two agencies is different, as in the case of Wednesday figures and Saturday figures for weekly department store sales. Again, two sets of reports may ask for pay-roll total, but one may call currently for the pay roll for each month, the other for a single over-all figure for the calendar year. Even with no other differences in the data called for, such a difference in period covered is likely to be regarded by the collecting agencies as an adequate ground for two sets of returns. From the point of view of the respondent, however, there is duplication. He has reported his pay roll twice for the same pay period.

As a consequence of divergent requirements it almost invariably follows that the information called for by each of two sets of overlapping reports is only substantially equivalent; hardly ever is it identical. Duplications of reporting requirements are not matters of objective fact; they are matters of technical judgment and even of technical ingenuity. To establish that information is "substantially equivalent," one must be able to show that data from one report can be used as an adequate substitute for data from another.

If "duplication" is interpreted broadly to include requirements in two or more sets of reports for information that appears to be "substantially equivalent," then there is no doubt that a considerable amount of duplication is involved in present Federal reporting requirements. In order to determine the extent of duplications of this sort in the more important fields, the report forms sent last year to business enterprises were studied intensively with respect to two kinds of questions where there was known to be more or less duplication.

1. Requests for information on the respondent's total pay roll or on the number of his employees, or both.
2. Requests as to the respondent's gross operating revenue or the total value of his products or the amount of his sales.

DUPLICATION IN REPORTS ON PAY ROLL AND EMPLOYMENT

Table III shows, with respect to questions on pay roll and employment for each of a number of different classes of respondents: In column (1) the total number of forms on which this type of question was asked; in columns (2), (3), and (4) the number of forms appearing at given intervals of time; and in column (5) the number of different agencies asking this type of question. Alternative forms going to different subclasses within a given respondent group are counted as only one form so that the number of different forms may safely be taken as indicative of the extent of "duplication" in the broad sense now under consideration.

TABLE III.—Federal report forms calling for total pay roll or number of employees or both from selected groups of respondents

Respondent groups	Number of forms				Number of agencies
	Total	Annual and occasional	Semiannual or quarterly	Monthly	
	(1)	(2)	(3)	(4)	(5)
Automobile and equipment manufacturers.....	12	8	2	2	4
Iron and steel manufacturers.....	14	10	2	2	4
Electrical machinery manufacturers.....	14	9	3	2	4
Bituminous coal mines.....	12	9	1	2	5
Railroads.....	12	8	1	3	5
Water transportation companies.....	21	20	-----	11	8
Telephone, telegraph, and radio companies.....	18	15	1	12	6
Electric and gas companies.....	12	9	1	2	6
Retail chain stores.....	9	7	1	1	3
Banks.....	8	4	4	-----	5

¹ Includes 1 semimonthly form.

Following is a list of the more important types of forms calling for data on pay rolls, or employment, or both:

1. Pay-roll totals are asked for on the corporate income tax forms, the partnership informational return, and the long form for the individual income tax. (These are regarded as one form for the present purpose, since no business would fill out more than one.)

2. The form for the Federal tax to support unemployment compensation grants to States calls for total annual pay roll.

3. The form for the old-age security tax calls at present for quarterly data on pay rolls and employment.

4. Requests for pay-roll and employment data are made of enterprises reporting to such regulatory agencies as the Interstate Commerce Commission and the Federal Communications Commission; and requests to report similar data were made of manufacturers and concerns in the electrical industries by the Bureau of the Census in connection with the biennial Census of Manufactures and the quinquennial Census of Electrical Industries.

5. Numerous employers report monthly data on pay rolls, employment, and man-hours. These reports go chiefly to the Bureau of Labor Statistics, but monthly employment in a part of the mining field is reported both to the Bureau of Labor Statistics and to the Bureau of Mines.

Some of the forms listed above call for pay-roll total merely as one of the constituent items in a larger total such as operating expense; some call for a break-down of pay roll by classes of employees or otherwise or for a separate report of pay-roll total for each plant or store controlled by a concern with two or more branches. Part of the forms are annual and the rest are used at other intervals. In the case of some forms promptness is at a premium and an approximate figure will suffice; others permit ample time for filing and are sworn statements of account. Presumably a single form might not serve all purposes; but it is probable that the number of requests for so nearly the same information could be reduced without depriving any agency of needed information.

DUPLICATION IN REPORTS ON EMPLOYEE EARNINGS

Information on pay-roll and employment totals is not ordinarily burdensome to report. It is far more burdensome to report separately the earnings of individual employees. At the present time many employers are required to make out four sets of reports of individual earnings:

1. An annual Federal income-tax informational return for each employee receiving \$1,000 or more if single and \$2,500 or more if married.

2. A corresponding informational return to the State in which the employee works (reporting limits vary from State to State; 33 States require such returns).¹⁰

3. A quarterly return on individual earnings up to and including \$3,000 for each employee for the purposes of the old-age insurance program.

4. A corresponding State return for purposes of unemployment compensation.¹⁰

The best solution of this problem would be to work out a single, all-purpose, consolidated State-Federal return on the earnings of individual employees. If this proved impracticable, it should at least be feasible to develop a single return to the Federal Government and a single return to each State government needing the data.

DUPLICATION IN REPORTS ON REVENUES, PRODUCTION, AND SALES

Table IV shows for selected classes of respondents the number of Federal inquiries calling for gross operating revenues, or total value of products, or value of sales. As in the previous table, information is presented as to the number of forms on which this type of question is asked, the number of forms appearing at given time intervals, and the number of different Federal agencies to which the forms were returned. Two forms going to separate subclasses within any listed respondent group have been counted as only one form so that the number of forms indicates the extent of "duplication".

¹⁰ No State forms are counted in any of the figures in table III.

TABLE IV.—Federal report forms calling for total gross operating revenue or total value of products, by selected groups of respondents

Respondent groups	Number of forms				Number of agencies
	Total	Annual and occasional	Semi-annual or quarterly	Monthly	
	(1)	(2)	(3)	(4)	
Automobile and equipment manufacturers.....	3	2	-----	1	3
Iron and steel manufacturers.....	6	3	-----	3	5
Electrical machinery manufacturers.....	4	2	1	1	3
Bituminous coal mines.....	7	5	-----	2	2
Railroads.....	6	4	-----	2	3
Water transportation companies.....	5	4	-----	1	3
Telephone, telegraph, and radio companies.....	7	6	-----	1	3
Electric and gas companies.....	8	6	-----	2	5
Retail chain stores.....	3	1	-----	2	3
Banks.....	9	6	3	-----	6

The following principal types of Federal forms calling for gross operating revenues, or some substantially equivalent item, may be noted:

1. The corporate income tax return, the partnership return, and the long form of individual income tax return (these three are counted as one form).

2. The Census of Manufactures calls for total value of products of each manufacturing establishment in each odd-numbered year. Annual reports to regulatory agencies may be counted along with this form for our present purpose. They call for gross operating revenues of various classes of enterprises not in general covered by the Census of Manufactures.

3. Monthly data on sales or value of output are reported currently to various Federal agencies depending on the type of business.

Like those calling for pay-roll data, the various reports calling for gross revenues differ materially from one another. There are monthly, annual, and occasional forms. There are forms which call for preliminary figures, and forms which call for sworn statements of account. There are forms which call for break-downs of operating revenues, and forms which call for a single figure on operating revenue in conjunction with other data. Consolidation of all forms into a single form for each type of respondent would be out of the question. But it is difficult to escape the conclusion that some consolidation of forms and some additional interchange of information between the agencies concerned is possible.

In addition to the number of reports calling for information on total value of sales or of output, there are various reports calling for figures on production of individual commodities, in quantity or value or both. The Census of Manufactures asks for output data biennially, for the year as a whole. Monthly or other current data are collected for a large number of manufacturing industries, chiefly by the Bureau of the Census. For tobacco products, alcoholic beverages, and oleomargarine, production data are collected currently by the Bureau of Internal Revenue; for meat packing, sugar refining, and the production of dairy products, by the Department of Agriculture. Annual and monthly data for mineral products are collected by the Bureau of Mines; and annual data on forest products, by the Depart-

ment of Agriculture. Duplication¹¹ in this field of commodity reporting arises chiefly from the fact that annual totals, for each year or for every other year, are called for on substantially all the commodities reported upon currently. These duplications, for the most part, are between the Bureau of the Census on the one hand and the Department of Agriculture and the Bureau of Mines on the other.

DUPLICATION IN BALANCE SHEET AND INCOME REPORTS

Thus far, we have mainly considered the extent of duplication among the forms which ask a question on total pay roll and among those which ask a question on total operating revenues. To some extent, the same forms appear in both tables III and IV, since a single form may cover both pay roll and revenue. This fact calls attention to the duplication in reporting which results from the requirement by various agencies of income statements and balance sheets.

The extent of reporting of this nature bulks particularly large in respect to regulated and large-scale corporate business. Annual income-tax returns call for financial statements accompanied by supporting schedules. Exhaustive financial statements with collateral information are similarly required from companies under their jurisdiction by regulatory agencies such as the Interstate Commerce Commission, the Federal Power Commission, and the Federal Communications Commission. Electric utility holding companies must report financial statements to the Securities and Exchange Commission under the Public Utility Holding Company Act of 1935. Corporations are further called upon to provide complete financial statements to the Securities and Exchange Commission in connection with the flotation of securities or their listing on a registered exchange.¹² A parent company and its subsidiaries may be required to file a consolidated financial statement with one agency, while separate (unconsolidated) statements may be required from the same group of companies by another agency, or in some instances by the same agency.

Both the Bureau of Internal Revenue and the Securities and Exchange Commission have taken steps toward the elimination of unnecessary duplications in requirements for financial reports. The Securities and Exchange Commission permits the filing of exhibits by reference to any statement previously or concurrently filed with the Commission. Corporations are permitted to substitute information reported to public officers in lieu of part of the information required on the corporate income-tax returns, and special income-tax forms have been devised for insurance companies and railroads partly to facilitate preparation of tax returns and partly to provide a check of such returns against information filed for regulatory purposes. Although some relief is afforded by these arrangements, in general respondents do not appear to have taken full advantage of them; moreover, they have applicability to only a part of the problem of duplication among financial statements.

In the field of finance, as in that of pay rolls, there are conspicuous duplications between Federal and State reports. Financial statements are required on income tax returns to many States as well as

¹¹ This statement does not take into account duplication between government (State and Federal) and private reports.

¹² Railroads are specifically exempted by law from these requirements.

to the Federal Government. Various regulated enterprises may also be required to file similar or partially duplicate reports with both Federal and State regulatory agencies and with private agencies such as stock exchanges.

No comment on financial statement reports¹³ would be complete unless mention were made of the problem with which a large enterprise operating in more than one State may be faced. Not only is there extensive duplication as between Federal and State requirements, but there is also duplication as between different States. Consequently the reporting burden may increase more than proportionately to the number of States in which a concern operates.

DUPLICATION IN REPORTING BY AN ILLUSTRATIVE FIRM

Duplications involved in the reports by business concerns to Federal agencies have so far been discussed in accordance with the type of information required. It will be useful, in addition, to consider this matter more particularly from the respondent's standpoint by examining the various reports made by a single illustrative firm.

Table V exhibits the administrative and nonadministrative forms which a corporation operating a cotton textile mill of moderate size would be most likely to have filled out last year. Ten questions which are frequently asked have been selected. The table shows for each of the 24 forms listed under the two headings whether each of these 10 questions was asked and with what frequency. When several crosses occur in the same column there appears to be substantial "duplication," although the various reports may call for the item indicated according to different specifications as to time interval, breakdown, accuracy, and other details.

¹³ See also p. 22 below.

TABLE V.—Reports to Federal agencies by an illustrative cotton textile mill, fiscal year 1938 ¹

Form	Frequency of return	Number of employees	Individual earnings	Total man-hours worked	Balance sheet	Income statement	Gross revenues	Net income	Pay rolls	Value of inventories	Physical production data
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Administrative:											
Corporation income tax (BIR).....	Annual				X	X	X	X	X	X	
Income-tax information returns (BIR).....	do	(2)	X								
Capital-stock tax (BIR).....	do				(2)			X			
Old-age benefit tax (BIR).....	Quarterly ⁴	(2)	X						X		
Unemployment insurance tax (BIR).....	Annual	X							X		
Information return when employee reaches 65 or dies (BIR).....	Irregular		(5)								
Statement when employee reaches 65 or dies (SSB).....	do		(5)								
Unjust enrichment tax (BIR).....	Annual					X	X	X			X
Introduction card (USES) ²											
Nonadministrative: ⁷											
Census of manufactures (Census).....	Biennial	X		X			X		X	X	X
Raw-cotton consumption and stocks (Census).....	Monthly										
Volume of manufacturing employment (BLS).....	do	X		X					X		
Volume of manufacturing employment by sex (BLS).....	Semiannual	X		X					X		
Clerical employees in manufacturing (BLS).....	do	(5)							(5)		
Turnover of factory labor (BLS).....	Monthly	X									
Industrial injuries exposure schedule (BLS).....	Annual	X		X							
Paid vacations (BLS).....	do	X									
Firm visit schedule (USES).....	Occasional	X									
Cotton used in manufacturing of twine and cordage (BAE).....	Annual										(5)
Raw cotton on hand Aug. 1 (BAE) ⁶	do										
Cotton wrapped in cotton bagging (AAA) ⁶	Irregular										
General openings (USES) ⁶	do										
Export declaration (Customs) ⁶	do										

¹ "X" indicates that the total item is reported on the form. The use of this symbol more than once in any column indicates duplication of substantially identical data.

² Number of employees may be derived from listing of individual workers.

³ Calls for analysis of changes in capital account during year.

⁴ Since Jan. 1, 1938. Prior to this date employers filed a monthly tax return and a semi-annual information return.

⁵ Partial item reported. The use of this symbol more than once in any column or with the symbol X indicates duplication of subject. In column (3) the two forms indicated call for individual earnings only for those employees dying or reaching the age of 65.

⁶ Form frequently used but not calling for any of the items specified.

⁷ In addition to the forms listed, a small sample of cotton textile mills file at 2- or 3-year intervals with the Bureau of Labor Statistics forms calling for total number of employees, individual earnings, total man-hours worked, and pay rolls. Also all plants involved in industrial disputes are asked to file a strike schedule with the Bureau of Labor Statistics which calls for the total number of employees on the pay roll immediately preceding the dispute and the average wage rate and average number of hours worked per week before and after the dispute.

There are such marked differences in reporting requirements as between industries and as between large and small concerns that this exhibit for a medium-sized cotton textile business cannot be regarded as typical for industry in general. For large enterprises, such as some of the steel or motor companies, and especially for regulated and supervised enterprises such as railroads or banks, reporting requirements are considerably more complicated. For small stores or manufacturing establishments with few employees, the requirements are very much simpler. It should be borne in mind, moreover, that it is improbable that any actual cotton textile concern of medium size filled out all of the forms listed and no others. Most would have filled out some forms not included in this list and few would have filled out all that are included. Nevertheless, for a broad field of industry the exhibit indicates the situation fairly.

The several tax forms, and the related statement to the Social Security Board when an employee entitled to old-age benefits reaches the age of 65, or dies, are mandatory for all business concerns. Every manufacturer with a value of product of more than \$5,000 is required by law to file at least one Census of Manufactures schedule every other year. Every cotton textile mill must report to the Department of Agriculture the amount of raw cotton which it has on hand on August 1 of each year, and in addition must report monthly to the Bureau of the Census on the quantity of raw cotton used in manufacturing and the amount held in stocks at the end of the month. The two export forms listed would also be used by many concerns, by some a good many times in the course of a year. Monthly employment reports to the Bureau of Labor Statistics and reports to the United States Employment Service are made very generally by business concerns. A number of the remaining forms in table V apply only under special circumstances or to a small sample of concerns.

The way in which the expansion of a concern into related processes may complicate its reporting requirements is illustrated by the fact that some cotton textile concerns have to report to the Commodity Exchange Administration on their market position and to the Federal Power Commission on the power they generate for use in their manufacturing operations.

A generalization from table V seems clearly warranted: A considerable amount of consolidation of report forms should be possible through proper coordination of reporting requirements in respect to various details. Any such consolidation would reduce reporting burdens, both directly and indirectly, through the impetus which would be given to the standardization of basic records.

RELATION BETWEEN REPORTING REQUIREMENTS AND BUSINESS RECORDS

It has been seen that the duplication of requests for information by Federal agencies, using the word in a broad sense, does impose some unnecessary burdens upon respondents. It should be noted further that the extent of the burden on respondents may depend upon the form in which questions are asked and particularly upon the relation between the form of questions and the form in which the respondents keep their business records. Frequently questions are asked in such a way that they cannot be answered directly from the summary

figures of the respondent's own records but must be compiled by special calculations and adjustments.

Inferences regarding the existence of unnecessary burdens upon respondents from the causes just mentioned must be drawn very carefully. If the members of each group of respondents were to keep their records in a uniform manner, the situation would be relatively simple. Federal agencies would then be expected to formulate their questions so as to obtain information already available to each respondent from his records. Departures from this reasonable anticipation would be expected to occur only in case of necessity. But few groups of respondents have even approached the development of uniform record systems. Steps in this direction have usually been a result of the requirements of regulatory agencies. For the larger part of the field of business it is often difficult to devise a question which will be consistent with the record-keeping methods of all those who must answer it.

Because of variations both in the forms and the completeness of the records maintained by different respondents, it is difficult to determine objectively when the failure of a collecting agency to adapt its questions to the respondent's basic records involves an undue or preventable burden. The value of the information obtained may be sufficient to justify questions which are difficult to answer. Nonetheless there are cases where the form of questions diverges from customary record-keeping practice. For example, the Bureau of Labor Statistics asks on its monthly factory pay-roll reports that nonmanual employees and employees engaged in force-account construction be excluded. Similarly, a variety of cost-accounting allocations of pay roll would be required of many respondents to provide accurate information for what the Bureau of the Census regards as an establishment; for example, a salt plant must split its pay roll between (a) mineral extraction and (b) manufacturing processes. In cases such as these, the respondent who prepares his answers conscientiously may suffer a special penalty in the form of an extra burden. If the respondent is not conscientious, the accuracy of his return becomes open to question to the extent that estimates are used in lieu of actual data.

The burden imposed on a respondent may be unnecessarily increased not only by failures to take account of the form in which he keeps his records, but also by the requirement that he keep conflicting or unnecessarily complicated records. Illustrations of conflicting reporting and record-keeping requirements are presented by Federal regulations regarding definitions and methods of computing such items as depreciation and depletion. On the one hand, the Federal income-tax laws, by rigid definitions, closely limit the accounting methods which the Commissioner of Internal Revenue must require of taxpayers who report these deductions on their income-tax returns. On the other hand, various regulatory commissions, such as the Interstate Commerce Commission, operate under statutes giving broader discretion. They have set up accounting rules intended to reveal adequately the financial condition and operations of railroads, banks, and other types of business enterprises for regulatory purposes. Again, the Securities and Exchange Commission, in effect, has prescribed accounting rules designed to reveal correctly the financial condition and operations of registrants and of listed corporations from the standpoint of prudent investment.

Occasionally there are also conflicting requirements as between different tax laws. Wages and salaries are subject to taxation under both titles VIII and IX of the Social Security Act. They are a deduction in computing an income tax. It would be a convenience to the taxpayers if "salaries and wages" could mean the same thing in all three cases. As construed by the Commissioner of Internal Revenue, the law requires a cash basis of accounting for pay rolls under title VIII and an accrual basis under title IX of the Social Security Act. The income-tax law permits either basis so long as the taxpayer uses it consistently, year after year. Title VIII makes a special exemption for wages in excess of \$3,000 per annum. This title has been interpreted to necessitate the levying of the tax on a monthly or quarterly basis, while title IX specifies annual tax returns on a calendar-year basis.

It is clear that these conflicts in reporting requirements involve questions which go far beyond not only the scope of this report but also that of the Board's proper concern. The Board ventures to suggest, however, that some lightening of the burden imposed by these conflicting requirements should be possible.

IV. AN IMMEDIATE PROGRAM FOR IMPROVED COORDINATION

The collection of reports from large numbers of respondents on more than 4,700 forms in a single year, and the compilation from these reports of needed public information, have been difficult and exacting tasks. The generally excellent performance of these tasks represents an achievement of which this country may justly be proud. The useful statistical information available to the American public and to the Government of the United States, particularly with respect to national economic and business affairs, is unexcelled.

As the preceding section shows, however, there are some unnecessary duplications and conflicts, not only as between Federal and State reporting requirements, but also as among the requirements of different Federal agencies. It may not be possible, under a Federal system of government, altogether to avoid Federal-State conflicts and duplications. It should, nevertheless, be possible to minimize conflicts among Federal agencies. A further examination of the sources of these conflicts will help to indicate measures needed.

LACK OF CENTRALIZED AUTHORITY AND OF BASIC RECORDS

The Board's survey of the forms used by Federal agencies to collect information from the public during the fiscal year 1938 revealed three significant deficiencies: (1) In most of the 88 agencies issuing such forms there were no clearly established rules regarding final responsibility for the adoption of a form or its use to collect information from a given list of respondents. (2) In few of these agencies was there maintained even a substantially complete and up-to-date central file of the forms in use. (3) Only one agency maintained a central written record of each canvass made with a given form, including a record of approval by the central office, dates, purposes, and the class of respondents covered.

Only some half a dozen agencies have either developed, or are now in the process of developing, orderly methods of reviewing their own questionnaires and report forms, and of keeping records concerning the adoption and use of forms to collect information from the public. The general lack of centralized authority for and even of basic records on report forms in Federal agencies is undoubtedly one reason for some of the duplications in Federal reporting requirements. Moreover, this lack of centralized authority is a contributing factor in the accumulation of unnecessary burdens upon respondents. To remedy this situation, it is recommended—

That Federal agencies be required by law to keep uniform records of all questionnaires and report forms adopted and used to collect information from the public and to make reports on their adoption and use to the statistical coordinating agency; and that responsibility in each agency for authorizing the use of such forms and for the maintenance of such records be centralized.

DUPLICATIONS OF LEGAL AUTHORITY

The legal bases for reports to Federal agencies are often inconsistent. Further, the enactment of laws on behalf of one agency without reference to authority already vested in others has resulted in duplications of authorizations and even of mandatory directions to collect data. Major duplications of authority to collect reports from the public exist in such important special fields as banking, housing and construction, and water transportation, as well as in the broad fields of mining, manufacturing, and distribution.

A direction to two or more agencies to collect the same information may produce wastes of public funds and cause unnecessary burdens on respondents, unless a partial abandonment of duties can be effected. Curtailment of funds has been the device usually adopted to resolve conflicts of this kind. In several extreme instances the Congress has earmarked appropriations in such a way as to bring about elimination of duplicate reporting. In several other cases the agencies concerned, upon discovery of the conflict, have requested adjustment of the situation by recommending that specific appropriation items be stricken out.

The following examples, although they are not now causing duplications, may be cited of directions in existing statutes for the conduct by certain agencies of work which is now carried on by other agencies: The Bureau of Foreign and Domestic Commerce is directed to collect statistics on "the railroad systems of this and other countries" and "statistics of the manufactures of the United States * * *"¹⁴ Another one of the stated purposes of the Bureau is to collect statistics on "currency and banks."¹⁵ Again, the Commissioner of Labor Statistics has the mandatory duty to ascertain the effect of customs laws on the state of the currency in the United States, on the agricultural industry, and especially on mortgage indebtedness of farmers.¹⁶

The Board believes that detailed amendment of many laws only for the purpose of striking out words causing duplication in the collection of statistics is not practicable, but that relief can be satisfactorily effected by a grant of discretionary power in cases of conflict. This

¹⁴ 15 U. S. C., secs. 178, 182.

¹⁵ 15 U. S. C., sec. 176.

¹⁶ 29 U. S. C., sec. 4.

will at the same time safeguard both the Federal agencies and the interests of respondents. Therefore, it is recommended—

That provision in law be made to relieve any Federal agency or officer of any requirement under existing law directing the collection of reports from the public, if substantially equivalent information which will meet the needs of such agency or officer is available from other reports to any Federal agency.

Overlapping authorizations, as distinguished from overlapping directions, permit but do not cause duplication. Duplication of the power to collect information is often desirable when the administrative duties of agencies impinge upon one another or overlap; provided there is adequate coordinating machinery for their report-collecting programs. The exercise of different regulatory or administrative functions by different agencies often requires the same information; hence duplications in authorizations are inevitable. These have tended to increase in recent years because of a noticeable trend from the specific toward the general in the delegation of report-collecting authority.¹⁷ The detailed statements of powers and duties found in earlier legislation have been replaced by general delegations of authority which confer upon the head of an agency discretion to collect such information as in his judgment is necessary for the proper administration of the statutory functions of the agency.

In view of the trend toward broad delegations of authority, an extensive overlapping of jurisdictions among Federal agencies in respect to the collection of reports is scarcely surprising. The significant things about this situation, however, are the needs, first, for adequate coordinating machinery; and, second, for the bestowal upon some one agency in each field of the primary responsibility for the collection of information from the respondents in that field.¹⁸

ABSENCE OF DISCRETIONARY AUTHORITY IN TAX LAWS

In some cases the needs for information seem so definite and the statutory directions for its collection are so detailed as to leave no clear discretion to executive officers to modify administrative details so as to reduce reporting burdens. The chief examples are to be found in the tax laws. These may require reports inconsistent with those required by other agencies. Some tax laws and regulations, moreover, are themselves mutually inconsistent.¹⁹

A consideration of the extent to which these conflicts are unavoidable in an equitable and effective tax system falls outside the scope of this report. Specific proposals for amendment of the tax laws are even more clearly beyond its scope. It would seem, however, that it should be possible substantially to decrease the burden of preparing tax returns without materially altering the character or the amount of the taxes levied upon any class of persons. The Board, therefore, recommends—

That further consideration be given to technical changes in the Federal tax laws and procedures which would provide, insofar

¹⁷ Among these laws are: Sec. 218 of the act of June 19, 1934 (48 Stat. 1077), establishing the Federal Communications Commission; sec. 209 of the act of June 27, 1934 (48 Stat. 1252), establishing the Federal Housing Administration; sec. 304 (a) and 320 (a) of the act of August 9, 1935 (49 Stat. 546, 563), extending the jurisdiction of the Interstate Commerce Commission to motor carriers. There are many other such general authorizations.

¹⁸ This question is further considered in the following section on pp. 28 through 37.

¹⁹ See above, pp. 22-23.

as is consistent with fiscal policy, for (a) the consolidation of tax returns in cases in which any considerable group of persons is required to file two or more types of such returns in any one year; (b) acceptance by the Bureau of Internal Revenue, in lieu of all or part of any tax return, of any sworn report made to a regulatory agency which provides the required information; and (c) such other modifications in tax returns as would lighten the burden of making reports either to the tax authorities or to other Federal agencies.

RESTRICTIONS UPON USE OF "CONFIDENTIAL" INFORMATION

One factor contributing to duplication involves the interpretation which, in some instances, has been placed upon conditions attaching to the use of information collected in confidence. The collection of information subject to the restriction that data regarding individual respondents shall be known only to the sworn employees of the collecting agency is an arrangement which has many advantages. As this arrangement is at present employed, however, the use of the information collected in confidence is frequently so restricted as seriously to impair its usefulness for purposes to which respondents could have no real objection.²⁰

Frequently a Federal agency has need for comparable information on different subjects, such as pay rolls and sales, from the same group of respondents. If one agency collects confidential information on sales and another confidential information on pay rolls, it may be difficult or impossible to compare the totals. Such a comparison, if valid, must take account of the respective coverage and industrial classification of each individual respondent in the two series, to make sure that the two sets of data actually pertain to the same concerns or establishments. If the rule of confidence is applied strictly, neither agency can give access to its file of individual reports to the other agency, although both may be concerned only with the comparability of the respective totals and may have no power or desire to use individual data for any regulatory purpose.

If the only comparison needed were that between sales and pay rolls, the situation could be met if one agency withdrew and the other collected both types of information. Commonly, however, such a solution is precluded because other comparisons are called for. Thus, one agency may be collecting both pay-roll and employment data and may be concerned with the comparison between them, while the other agency may be collecting sales and inventory data and may be interested in turn-over of goods. Under such circumstances, if a comparison between sales and pay rolls is to be made, it will clearly be necessary, unless arrangements can be made for the common use of the same returns, for both agencies to collect information either on sales or on pay rolls from the same respondents.

The interpretations now made by some agencies of their confidential relations to respondents further limit the usefulness of returns. Information regarded as "confidential" may be common knowledge in the trade. The result of this interpretation may be to prevent

²⁰ It is recognized that the full force of extreme interpretations of statutory and contractual confidential clauses is to some extent moderated by "special agent" arrangements. Under these arrangements an employee of one Federal agency may be sworn in as a "special agent" of a second agency which collects information in confidence. As a "special agent" the employee of the first agency is given access to the confidential data of the second agency subject to the restrictions upon other employees of that agency.

one Federal agency from revealing to another facts which are generally known in the business world, even when these facts are information which is essential for the statistical work of the second agency. Such interpretations have been carried to the extreme of preventing a Federal agency from disclosing to another the names and addresses of its respondents and even from indicating, where totals for several classifications have been compiled and published, the classification in which any particular respondent has been placed. In effect, this interpretation of obligations to respondents permits one agency to furnish a compiled total to another, but prevents it from telling the other agency what the total means. It also prevents the use of one agency's address list of respondents by another Federal agency except under very restricted conditions.²¹

Although the approximate number of employees at work at a plant some months before may be a matter of general knowledge in the community and in the trade, the use by a Federal agency of such information reported to another agency may again be prevented by the "confidential clause." It may be impossible, for example, to indicate the geographical distribution of an industry by giving State figures, since this would disclose information for individual establishments. Thus, the Census Bureau could not publish State information on the manufacture of steam locomotives for 1935 except for employment in one State. Again, it may be impossible to indicate what proportion of persons employed by the nonferrous metal industries is employed in the aluminum industry.

INTENT OF "CONFIDENTIAL" RESTRICTIONS

The collection of information under restrictions of confidence is designed to protect the interests of respondents. These restrictions are intended, for example, to prevent disclosure of individual data to competitors or to taxing and regulatory agencies other than the agency originally asking for the data. The result in practice, however, may go far beyond this objective. Other uses of the information to which the respondent could have no reasonable objection may be prevented, with the consequence that he is asked to furnish the information again by some other agency.

The principle which should be observed in the collection of information for statistical purposes under a confidential arrangement is the protection of the respondent from such uses of his individual data as would result in his individual disadvantage. The bases for this principle are two: It is a matter of equity in the relationships between the Government and its citizens, and it is a matter of protection to the Federal agency in its continued capacity to obtain truthful information from its respondents.

It should be possible fully to protect the interests of respondents without restricting the use of confidential information so closely that when one Government agency needs information in the field of another for statistical purposes only, it cannot get it. Since the procedures which would afford proper protection to respondents in respect to data reported in confidence must vary according to the classes of respondents and the circumstances and data involved, detailed specifications for such procedures should not be made a matter of statute.

²¹ See p. 37 below.

A general provision capable of adaptation to different situations is called for. It is, therefore, recommended—

That provision in law be made to promote and encourage Federal agencies collecting information on a confidential basis to make such information available for the use of other Federal agencies under rules designed to afford proper protection for the interests of individual respondents, these rules to be promulgated by the President upon recommendations of the statistical coordinating agency.

FAILURE OR INABILITY TO USE INFORMATION ALREADY AVAILABLE

It is often cheaper and more convenient for a Federal collecting agency to send the public a new request for data than it is to locate, sort out, and transcribe the needed information from existing Government files. This may be true even if the files already containing the needed information are its own. Again, information provided by one set of reports may necessarily differ, though only slightly, from information called for on a second set of reports. Data which are already available on a fiscal-year basis, for example, may be legally required for some new purpose on a calendar-year basis. For such reasons as these it may be difficult or even impossible for Federal agencies to use information already in existence within the Government.

In the Board's opinion, it is often sound public economy for Federal agencies to make use of information already available in the Government's files, even at considerable expense, rather than to impose duplicate requests upon the public. It therefore recommends—

That in cases where the statistical coordinating agency is unable to reduce or eliminate unnecessary duplication in reports to Federal agencies, it be required to hold a hearing on the nature and reasons for such duplication and to report its findings to the President; and that the President be given power to eliminate such duplication;

and further—

That provision in law be made that, notwithstanding any previous provision of law to the contrary, no respondent shall be required to report information to a Federal agency when such information is obtainable from reports previously made to the same agency, unless the collecting agency shall have established before the statistical coordinating agency that the duplicate request is necessary.

V. THE PRACTICABILITY OF CONSOLIDATIONS AND CHANGES

The recommendations in the preceding section are intended to bring about immediate improvements in the coordination of the Federal statistical and reporting services; hence to bring to the public some prompt relief from unnecessary reporting burdens. There is need also to consider measures which could become effective only after a longer period of time. The President, in his letter of May 16, 1938, requesting the present report, asked for "recommendations looking toward consolidations and changes which are consistent with efficiency and economy, both to the Government and to private industry."

CRITERIA OF APPRAISAL

Any appraisal which has in mind the possibility of such recommendations respecting the statistical and report-collecting services of the Federal Government must take account of two criteria:

1. The information necessary to the processes of Government must be forthcoming. Every Federal agency must have prompt and unimpeded access to all the information genuinely necessary to the administration of the governmental functions for which it is responsible.

2. The statistical and report-collecting services should be operated economically. In determining economy the costs imposed upon respondents in providing information as well as the costs to the Government in collecting and assembling it should be taken into account.

These principles may be referred to conveniently as (1) the principle of adequacy and (2) the principle of economy. The second is clearly implied in the present inquiry itself. The first principle is implicit throughout a series of memoranda recently prepared by the statistical and report-collecting agencies of the Federal Government.

MR. MCINTYRE'S LETTER AND THE REPLIES

In order that the President might have before him the views of those Federal agencies which are most extensively concerned in the collection of reports from the public, these agencies were requested by Mr. M. H. McIntyre, secretary to the President, in letters of October 19, 1938, to prepare memoranda discussing two possible alternative lines of development for the statistical and report-collecting services. The replies were placed in the hands of the Board for study.

Mr. McIntyre's letter discussed alternatives as follows:

On the one hand, it has long been suggested by some agencies that, so far as practicable, all statistical work should be concentrated in a single agency. The other alternative suggested is that the present decentralized form of statistical organization be preserved, but that improvements be made through strengthening the machinery of coordination and through specific consolidations in the several branches of the service.

The agencies were asked to say which of these alternatives they favored. The replies expressed the common opinion that a general consolidation of the Federal statistical and reporting services was impracticable. In favoring continued decentralization many of the replies specifically advocated a strengthening of the mechanisms of statistical coordination.

In amplification of these basic views, many of the agencies pointed out that a general centralization of statistical work within the Federal Government would make it impossible to bring into close association the collection of data needed for the performance of administrative functions, and the actual performance of those functions. The dangers of such a separation were recognized by an even larger number of agencies, who asserted the necessity of having within their own organizations technicians who are thoroughly familiar with the particular subject matter to which their work pertains. They felt that a sufficient degree of familiarity by the responsible personnel with the information collected could not be assured if a general consolidation of the Federal statistical and report-collecting services were accomplished. Several agencies expressed the related opinion that a

general consolidation would make for inflexibility in the Government service.

Nor were these agencies impressed with the possibility that a concentration of statistical work within one agency would result in economies. On the contrary, a substantial portion of the replies expressed the opinion that such a concentration would result in increased costs to the Federal Government. This opinion was supported by another, namely, that a general consolidation of the Federal statistical and reporting services was not actually possible, except on paper; and that, if attempted, the result would be increased expenditures for supervision and "overhead" without corresponding savings in operating costs. Some agencies did believe it to be possible and perhaps advantageous to bring about particular consolidations or to accomplish certain types of centralization within limited fields.

AGREEMENT ON NEED FOR DECENTRALIZATION

The opinions expressed in the replies to Mr. McIntyre's letter confirm the Board's belief that discussion among the statistical and administrative agencies of the Federal Government for many years has brought them into a general and enduring concurrence upon the outstanding advantages of one of the two alternatives which he cited. It believes further that the time has come when this concurrence should be crystallized in a formal statement of public policy. The Board therefore recommends—

That it be recognized as sound in principle and necessary in practice that the various statistical and report collecting services of the Federal Government be for the most part attached to agencies having administrative or other responsibilities relating to the subjects of the reports; and that, because of this decentralization of the statistical and reporting services, it is essential that there be a statistical coordinating agency with adequate powers.

As indicated in section II of this report, it was found that during the fiscal year 1938 the larger number of returns received by the Federal Government were for an administrative use.²² Nearly 80 percent of the returns from business enterprises (not including farms) were administrative. These figures indicate clearly that most of the statistical and report-collecting services of the Federal Government are closely associated with administrative functions, and that a substantial measure of decentralization in these services is unavoidable. It also follows, under the principle of adequacy, that when reports provide a Federal agency with information needed to render services to the individual respondents or to apply some regulation to them, the agency must not be denied the right of access to the information.

A logical corollary of decentralization is the necessity of maintaining and strengthening a specialized statistical coordinating agency with a trained and competent staff and with adequate powers to do its work effectively. Effective coordination, however, is not incompatible with the principle of adequacy. In fact, it may well be a means of preserving for each agency prompt and unimpeded access to information genuinely necessary to the conduct of its administrative

²² See above, p. 8, table I; p. 9, table II.

functions. At the same time, the wise exercise of the power of coordination should also enable the statistical coordinating agency to relate the principle of adequacy more closely to the principle of economy through the discovery of opportunities for one agency to collect in behalf of other agencies information needed by them.

POSSIBLE TYPES OF PARTIAL CONSOLIDATION

Even though the larger part of the statistical work of the Federal Government should continue to be decentralized among administrative agencies, the possibility remains that the collection of all nonadministrative reports might with advantage be centralized within a single agency. While superficially attractive, even this partial centralization would have many disadvantages. It would bring into a single organization quite unrelated services pertaining to diverse subjects. It seems improbable that the head of such an organization, whether an individual or commission, could have sufficient versatility to insure thoroughly competent work in each of the wide variety of fields involved. There might, indeed, be some advantages in greater administrative efficiency with respect to records, correspondence, machine tabulation, and similar matters. But when an organization becomes large, little additional advantage in these directions is gained by further growth. Moreover, such a centralized agency would not often be able to secure the important advantages which could be obtained by the consolidation of report-collecting services dealing with the same group of respondents.

This latter type of consolidation would promise economies from the points of view both of the respondents and of the Government. To the respondents it would mean possible consolidations of report forms and decreases in the number of times any particular item of information was required. It might also mean less inconsistency in the requirements imposed upon respondents' records by different reports. Again, the mere fact of having to deal with a single Government field force would itself be advantageous. From the side of the Government, the possible economies which might result from consolidations of forms and of field staffs should be obvious. Moreover, if a set of technically trained people were to handle the reports upon all phases of an industry, the work of auditing or of editing reports could be done both better and more expeditiously.

A SPECIAL KIND OF "FOCAL AGENCY" REQUIRED

A form of centralization related to that just discussed has from time to time been advocated by the Central Statistical Board. In its First Annual Report the Board proposed the development in certain fields of what it termed "focal agencies":

If the information in any field is to be well-planned and well-organized, it should be cultivated by a statistical agency which constitutes a focal or concentration point for all the information pertinent to that field.²³

The proposal that returns from each group of respondents be largely channeled through one focal agency, which would thus become a primary collecting agency for returns from these respondents, is a feature of the Board's more general suggestion and is especially

²³ First Annual Report, pp. 8-10.

pertinent to the issues raised in this report. The proposal implies that such an agency would collect information from a given group of respondents to serve its own needs; but that in addition it would collect information required by other Federal agencies, for which it might serve as an agent. The possible utility of arrangements of this sort would not necessarily be confined to nonadministrative returns. Reports for some administrative purposes might also be channeled through single agencies acting as agents for others.

As already pointed out, at present a considerable number of different Federal agencies may request information from each class of respondents. For example, ten Federal agencies regularly require reports and returns from enterprises engaged in water transportation. Six additional agencies called for one or more special reports last year.²⁴ If all, or a substantial proportion, of these different reports last year could have been channeled to a single Federal agency, the quality of the information obtained, in the aggregate, might have been improved, and reporting burdens upon respondents might have been materially reduced.

SPECIAL ADVANTAGES OF THE PROPOSAL

An agency selected for responsibilities of the type discussed would necessarily have an additional responsibility for coordinating all of the various forms channeling through it. It should, therefore, be able to effect some improvements and perhaps some consolidations in these report forms. It should be able to avoid the imposition through one report form of record-keeping requirements which conflict unnecessarily with those imposed by another report form; further, it should often be able to improve the adaptation of forms to the existing records of respondents.

An agency which served as an agent for others in the collection of reports from a given group of respondents should not, however, be in a position to prevent other agencies from obtaining directly such information as they might need. They should remain free to collect reports from respondents, if necessary; provided, that they be obligated to use the common agent, where feasible, before resorting to direct collection. In practice, questions of relationship among the Federal units concerned could presumably be handled by a joint committee, established by the statistical coordinating agency, on which all interests were represented.

Another advantage which might be expected to result from the proposal under discussion would be a diminution in the relative number of special inquiries undertaken by Federal agencies as a result of the better planning of the periodic inquiries. It has been noted that at present there are a good many special and single-time inquiries, although the proportion in the total is not large. Slightly

²⁴ More than a dozen Federal agencies have mandatory duties or discretionary powers conferred upon them by statute to require reports from carriers by water on such matters as amount of goods carried, number of passengers, description of ships, tariff rates, labor, and other items. The United States Maritime Commission, the Maritime Labor Board, the Bureau of Customs, the Bureau of Foreign and Domestic Commerce, the Bureau of Marine Inspection and Navigation, the Bureau of the Census, the Interstate Commerce Commission, the Board of Engineers for Rivers and Harbors, the Inland Waterways Corporation, the Immigration and Naturalization Service, and the United States Public Health Service are the principal agencies with such authority in the field of water transportation. There are several others which possess more limited powers: United States Employees' Compensation Commission, National Mediation Board, Bureau of Labor Statistics, Bureau of Fisheries, Panama Canal, and the Federal Communications Commission.

less than 1 return out of each 20 made last year by business respondents (not including farms) was in connection with such inquiries. Special reports, in general, impose a greater burden on respondents than recurrent reports of equal length, and often provide information of less lasting value.

Again, if a single agency in each field were made primarily responsible for contacts with respondents, it would be more concerned to keep their good will than are agencies which make only inquiries of secondary importance or inquiries of a single-time character. An agency having continuous contacts with respondents would give more consideration to their points or view.

SCOPE OF THE PROPOSAL

The principle of adequacy—i. e., that each Federal agency should have unimpeded access to the information it needs for the administration of its functions—places limits upon the types of reports which could be included in the plan just described. It would probably be impossible to channel all reports from any kind of business through a single agency. Thus a corporation might have to continue to file tax returns with the Bureau of Internal Revenue, a registration statement with the Securities and Exchange Commission, and a special report on trade practices with the Federal Trade Commission. It is probable, however, that the corporation now sends to separate agencies various reports which could be channeled through one agency.

The most effective consolidations of report-collecting services compatible with the principle of adequacy would result from the gradual concentration of responsibilities in single agencies for the collection of reports from given groups of respondents. It should be added that such concentrations of responsibility might be quite independent of consolidations or transfers affecting administrative and other functions of the agencies concerned. A single agency could collect data for other agencies without interfering with their administrative functions, or even with their other statistical functions.

APPLICATION IN PARTICULAR FIELDS

The possible advantages of designating single agencies to have primary responsibility for the collection of reports in certain fields, as, for example, the Interstate Commerce Commission for railroad and motor carriers, and the Federal Power Commission for electric utilities, are suggested by table VI. This shows for farms, for selected groups of business respondents, for public relief agencies and for all other State and local government agencies, the number of Federal agencies collecting returns and the total number of returns made to the Federal Government last year. For each respondent group the table shows the percentage of all returns made by that group to one agency or to a small number of agencies engaged extensively in report collection in the given field. In general the agencies listed in column (7) are those (other than the Bureau of Internal Revenue and the United States Employment Service) which received the largest number of returns from the various groups of respondents. Columns (5) and (6) show the percentages of returns which went to all other agencies from each group of respondents, classified as to whether the returns were administrative or nonadministrative.

TABLE VI.—Returns from selected respondent groups going to principal and to other collecting agencies

Respondent groups	Number of agencies collecting returns	Total returns to all agencies (000,000)	Percentage of all returns going to—				Agencies important in each field	Number of agencies using nonadministrative forms referred to in column (6)
			All agencies	Agencies listed in column (7)	All other agencies			
					Returns on administrative forms	Returns on non-administrative forms		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Farms.....	21	21.3	100	81	15	4	Bureau of Agricultural Economics; Agricultural Adjustment Administration; Farm Security Administration.	12
Bituminous coal mines.....	9	1.8	100	85	12	3	National Bituminous Coal Commission.....	4
Railroads.....	11	1.0	100	51	21	28	Interstate Commerce Commission; Railroad Retirement Board.	7
Telephone, telegraph, and radio.....	8	.3	100	22	46	32	Federal Communications Commission.....	5
Electric and gas.....	12	.2	100	22	51	27	Federal Power Commission.....	9
Water transportation.....	14	3.0	100	61	33	6	Bureau of Marine Inspection and Navigation.....	6
Food manufacturers.....	19	2.3	100	57	33	10	Various.....	11
Textile mills.....	12	.7	100	19	60	21	Census Bureau; Bureau of Labor Statistics.....	6
Banks.....	17	2.4	100	22	70	8	Federal Deposit Insurance Corporation; Comptroller of the Currency; Federal Reserve Board.	10
Construction.....	12	2.2	100	32	50	18	Public Works Administration; Bureau of Labor Statistics.....	3
Retail chain stores.....	9	.6	100	36	38	26	Bureau of Foreign and Domestic Commerce; Bureau of Labor Statistics.	4
Retail nonchain stores.....	17	13.3	100	3	90	7	do.....	10
All other business establishments.....	63	32.5	100	0	85	15	37
State and local governments:								
Relief agencies.....	6	.2	100	56	41	3	Social Security Board; Children's Bureau.....	3
Other Governmental agencies.....	31	4.7	100	88	3	9	Census Bureau.....	25
Total listed above.....		86.5						

¹ The agencies accounting for the 57 percent are: The Bureau of Animal Industry (especially in connection with meat inspections), the Bureau of Agricultural Economics (in connection with various processors of agricultural products), and the Federal Alcohol Administration and Bureau of Internal Revenue (in connection with the manufacture of alcoholic beverages).

Under the heading of "food manufacturers" there are several subclasses of respondents each reporting extensively to one or two agencies: Meat packers to the Bureau of Animal Industry and the Packers and Stockyards Commission, manufacturers of alcoholic beverages to the Federal Alcohol Administration and the Bureau of Internal Revenue, and dairies to the Bureau of Agricultural Economics. The "All other business establishments" group includes the large category of all mining and manufacturing companies, not specified separately, which report principally to the Bureau of the Census, the Bureau of Mines, and the Bureau of Labor Statistics. Also among the types of respondents included in the "All other business establishments" group are several classes from each of which reports are already channeled largely to one or two Federal agencies. These include tobacco manufacturers; logging and saw mills; producers of turpentine and rosin; gold and silver mines and refineries; petroleum wells, pipe lines, and refineries; fisheries; and security dealers.

The number of reports required from some classes of respondents listed in table VI does not seem to be sufficient to warrant special arrangements for the centralization of the collection of reports from them. Nonetheless, the table suggests that such arrangements might be desirable within a considerable part of the business field. There are also certain other classes of respondents, such as local governments, for which such arrangements would appear to have definite advantages.²⁵

A STATUTORY MANDATE NEEDED

During the Board's regular review of statistical plans and forms proposed by agencies of the Federal Government, it has observed many situations in which a centralization of the collection of reports from a given group of respondents would have been desirable. Wherever possible, within the limitations of its authority, the Board has sought to further this type of centralization. In some cases it has secured agreements under which one agency has reimbursed a second for the collection of information from respondents with whom the second agency had well-established contacts. Progress in this direction, however, has been limited.

There is need for a statutory mandate which will vest responsibility in the statistical coordinating agency for the definite promotion and effectuation of such arrangements. At present, equal statutory responsibilities are often held or asserted by each of two or more agencies to collect the same or similar data from a given class of respondents.²⁶ A legal mandate is clearly required to resolve such conflicts, in the public interest and in that of the respondents who may be penalized by them.

²⁵ Some indication of the general possibilities of the plan may be gained by combining the returns to the more important agencies with the returns on nonadministrative forms going to other agencies. It is principally from within these two groups of returns that the possibilities of combining the collection of reports from any group of respondents may be found. When returns to the important agencies listed in column (7) are combined, they equal 34 percent of the total returns recorded in column (2). Similarly, when all returns on nonadministrative forms going to other agencies (percentages shown in column (5)) are combined, they equal 10 percent of the total returns. Thus 44 percent of the total returns recorded in table VI are probably capable of concentration within a comparatively small number of agencies now collecting reports from the various groups of respondents. The possible concentration within certain fields is of course much greater, as already indicated by the percentages in column (4). The consolidation of all nonadministrative reporting services, which is sometimes proposed, would bring together only 20 percent of the total returns.

²⁶ The Board's Fourth Annual Report notes problems of this sort which it has had to face.

DEVELOPMENT OF CONCENTRATIONS SHOULD BE GRADUAL

Any systematic attempt to centralize the collection of reports within each of the various fields in which concentration would seem to be appropriate would involve extensive changes in the Federal service. The Central Statistical Board is not prepared at this time to recommend a statutory centralization affecting any agency. Its reasons are twofold: First, there is need for a careful study of and an opportunity for hearing upon the detailed problems in any field concerned. Second, there is constant need for a kind of flexibility under which reporting arrangements can be adapted to changing administrative responsibilities and needs.

For these reasons, and because it wishes to avoid breaks in the continuity and comparability of existing reporting services, the Board believes that the centralization of responsibilities for the collection of reports from different groups of respondents should be developed gradually. Such a gradual development might be promoted, if Congress should adopt a definite policy looking toward it, and should make provision for the designation for each group of respondents of an agency to assume the responsibilities in question, after careful investigation and an adequate hearing of those concerned.

Opportunities to further the continued concentration of responsibilities for the collection of reports occur not infrequently at the present time. They arise most often in conjunction with plans for new collections of information or for revisions in established collection services—i. e., in conjunction with the adoption or revision of report forms. If the advantages of such concentrations of responsibility as are here discussed were to be kept in mind, especially when new forms are under consideration, they could be brought about gradually and smoothly.

In the light of these considerations, the Board recommends—

That provision in law be made as follows: (a) That when the needs of two or more Federal agencies for reports pertaining to a given field of interest or from a given group of respondents can satisfactorily be met by the collection of such reports through a single agency serving as the agent of both or all such agencies; and when the statistical coordinating agency after due investigation shall have found such an arrangement to be in the public interest, it shall, subject to approval of the President, provide for the collection of the reports involved by a single agency which it shall designate; (b) that after such a designation such arrangements shall apply to any new collection service within the field of interest or involving the group of respondents in question, unless the need for other arrangements is established before the statistical coordinating agency; and (c) that such arrangements shall be extended to reports now being collected, as soon as found practicable and in the public interest; provided that such arrangements shall not be allowed to hamper any agency in obtaining information needed in the performance of its duties.

NEED OF A STANDARD ADDRESS LIST

At the present time each Government agency which requires information from a given group of respondents has found it necessary, in general, to develop its own address list.²⁷ The most obvious result has been a duplication of effort and unnecessary expense. Even more important, however, because there are a great variety of uncoordinated and frequently overlapping address lists, has been the noncomparability of much of the information compiled. Under such circumstances, it is difficult for a coordinating agency to determine accurately what duplications of collection are occurring and the extent of the reporting burden upon any single group of respondents.

A coordinated series of classified address lists of respondents, of such a type that each might be employed as one part of a single, standardized, master list, would facilitate the designation of the agencies to be given centralized collecting responsibilities. In fact, such a standardized list, or lists, available to the statistical coordinating agency, would be almost essential as a means of defining the jurisdictions of such agencies. The development of the central collecting functions of these agencies, in turn, would help in the maintenance of an accurate and up-to-date system of address lists. Each primary collecting agency would naturally assume a considerable measure of responsibility for the completeness and accuracy of the listings of the respondents assigned to it.

A standardized address list of respondents would make it possible to obtain comparable totals from two sets of reports collected by different agencies. For example, if pay-roll information were collected from department stores for tax purposes and if department store sales information were collected for another purpose by a second agency, it would be possible to prepare comparable totals on sales and pay rolls for department stores. This could not be done easily or accurately at present. Thus, the adoption of a standardized address list would insure a higher degree of accuracy, both for complete census-type inquiries and for studies based on limited selections of respondents in a given field.

Furthermore, when there appeared to be an advantage in distributing the burdens of reporting, one group of respondents in a field could be canvassed for one purpose and a different group for another purpose. This would minimize the likelihood that the better-known firms would be canvassed both times.

It is recommended—

That the statistical coordinating agency be directed to arrange for the establishment and maintenance of classified address lists of respondents so that for each important group of respondents there may be a standard list available to all Federal statistical and report-collecting agencies.

²⁷ This is due in part to the interpretation that confidential arrangements with respondents prohibit the disclosure to other Federal agencies of the names and addresses of respondents. (See above, pp. 26-27.)

CHAPTER I. GENERAL STATE OF THE LANDS

The following is a summary of the general state of the lands under the management of the Bureau of Lands, as reported by the Chief of the Bureau, in his annual report to the Department of the Interior, for the year ending June 30, 1890.

The total area of land under the management of the Bureau of Lands, at the close of the year, was 1,000,000 acres, of which 500,000 acres were in the hands of the public, and 500,000 acres were in the hands of private individuals.

The lands in the hands of the public were divided into three classes: (1) lands reserved for the use of the Government, (2) lands reserved for the use of the States, and (3) lands reserved for the use of the Territories.

The lands in the hands of private individuals were divided into two classes: (1) lands owned by private individuals, and (2) lands owned by the Government, but in the hands of private individuals.

The following is a summary of the general state of the lands in each of these classes:

(1) Lands reserved for the use of the Government. These lands were divided into three classes: (a) lands reserved for the use of the Department of the Interior, (b) lands reserved for the use of the Department of Agriculture, and (c) lands reserved for the use of the Department of War.

(2) Lands reserved for the use of the States. These lands were divided into two classes: (a) lands reserved for the use of the States, and (b) lands reserved for the use of the Territories.

(3) Lands reserved for the use of the Territories. These lands were divided into two classes: (a) lands reserved for the use of the Territories, and (b) lands reserved for the use of the States.

The following is a summary of the general state of the lands in each of these classes:

(a) Lands reserved for the use of the Department of the Interior. These lands were divided into two classes: (1) lands reserved for the use of the Department of the Interior, and (2) lands reserved for the use of the States.

(b) Lands reserved for the use of the Department of Agriculture. These lands were divided into two classes: (1) lands reserved for the use of the Department of Agriculture, and (2) lands reserved for the use of the States.

(c) Lands reserved for the use of the Department of War. These lands were divided into two classes: (1) lands reserved for the use of the Department of War, and (2) lands reserved for the use of the States.

(d) Lands reserved for the use of the States. These lands were divided into two classes: (1) lands reserved for the use of the States, and (2) lands reserved for the use of the Territories.

(e) Lands reserved for the use of the Territories. These lands were divided into two classes: (1) lands reserved for the use of the Territories, and (2) lands reserved for the use of the States.